

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

MONTHLY MEETING

TRANSCRIPT OF PROCEEDINGS

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

EAST END COMPLEX AUDITORIUM

1500 CAPITOL AVENUE

SACRAMENTO, CA 95814

TUESDAY, MARCH 10, 2015

10:00 A.M.

Reported by: Kent Odell

APPEARANCESBOARD MEMBERS

Dan Richard, Chairman

Tom Richards, Vice Chair

Jim Hartnett, Vice Chair

Thea Selby

Lynn Schenk

Lou Correa

Katherine Perez-Estolano

Patrick Henning

Michael Rossi

STAFF

Jeff Morales, Chief Executive Officer

Janice Neibel, Secretary

Michelle Boehm

Frank Vacca

Tom Fellenz

ALSO PRESENT

Kris Murray, Anaheim City Council

Paul Guerrero, La Raza

Diana LaCome, APAC

Robert Allen

APPEARANCES (CONT.)ALSO PRESENT

Ross Browning, CCHSRA

Alan Scott, CCHSRA

Bill Descary

Maureen Fukuda

Millard Downing

Gloria Coelho

Alisa Gomez

Ernestine Mattos

Michael Whitlatch

Frank Oliveira, Citizens for California HSR Accountability

Keith Dunn, Capitol Dynamics

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P R O C E E D I N G S

10:11 a.m.

PROCEEDINGS BEGIN AT 10:11 A.M.

SACRAMENTO, CALIFORNIA, TUESDAY, MARCH 10, 2015

CHAIRMAN RICHARD: Good morning, everyone. This meeting of the California High Speed Rail Authority will come to order.

I'm going to ask the Secretary to call the roll, but you'll hear a new name being called this morning, because we've graced by virtue of appointment by the Pro Tem of the State Senate with a new member of our Board -- the Honorable Lou Correa from Orange County. And Senator Correa, welcome.

I'll give him an opportunity to speak in a moment, but will the Secretary call the roll, so we can come to order?

MS. NEIBEL: Ms. Schenk?

BOARD MEMBER SCHENK: Here.

MS. NEIBEL: Vice Chair Richards?

VICE CHAIR RICHARDS: Here.

MS. NEIBEL: Vice Chair Hartnett?

VICE CHAIR HARTNETT: Here.

MS. NEIBEL: Mr. Rossi?

BOARD MEMBER ROSSI: Here.

MS. NEIBEL: Ms. Perez-Estolano?

1 BOARD MEMBER PEREZ-ESTOLANO: Here.

2 MS. NEIBEL: Mr. Henning?

3 BOARD MEMBER HENNING: Here.

4 MS. NEIBEL: Ms. Selby?

5 BOARD MEMBER SELBY: Here.

6 MS. NEIBEL: Mr. Correa?

7 BOARD MEMBER CORREA: Here.

8 MS. THOMMEN: Chairman Richard?

9 CHAIRMAN RICHARD: Here.

10 There is no flag in this room, but our staff has
11 arranged for an image of the American flag to be projected.
12 So will you please join me in honoring America in the
13 Pledge of Allegiance?

14 (The Pledge of Allegiance is made.)

15 CHAIRMAN RICHARD: Thank you. And I want to
16 thank the staff for arranging that.

17 Before we do turn to our first item, which is
18 public comment I would like to welcome Senator Correa and
19 just say it's personally a delight and an honor to have him
20 join this Board.

21 In 2012 when the High Speed Rail Authority was
22 embroiled in legislative proceedings to determine whether
23 or not the Legislature would approve the appropriation of
24 the state bonds and federal dollars for this, Senator
25 Correa was a pivotal person. Not only supporting the

1 project in general, but also making sure that his
2 community, Orange County, was going to receive the
3 requisite benefits and recognition commensurate with its
4 status at the end of the high-speed rail line.

5 So Senator, welcome. And I certainly would give
6 you the opportunity to make any remarks that you'd like to
7 at this point.

8 BOARD MEMBER CORREA: Thank you, Mr. Chairman. I
9 want to say good morning to all of you and the public. And
10 it's an honor to be here and work with this distinguished
11 group of individuals.

12 Mr. Chairman, you mentioned that I was pivotal in
13 some of the -- when I was in the Legislature -- in terms of
14 policy for the high-speed rail in the State of California.
15 I'd like to restate that as saying I was trying to be
16 thoughtful in accordance with the wishes of my taxpayers
17 and my constituents in Orange County, because any such
18 project as we're contemplating here and executing here has
19 to be one that begins by serving those that are greatest of
20 needs. And that's why at each and every vote that I took
21 in support of the high-speed rail, I always wanted to focus
22 and made sure people focused on what I would call the book
23 ends, because Orange County traditionally has been, frankly
24 speaking, a stepchild so to speak in California politics
25 and in California policy.

1 And all of us know that if you live in
2 Anaheim/Orange County it takes you 40 minutes on a good
3 day, maybe an hour and a half on a bad day, to get from
4 Anaheim to L.A. and vice versa. That 5 Freeway is brutal.
5 I know, I traveled it for about a decade when I was a
6 banker in Downtown Los Angeles. And what better way to
7 invest our taxpayer dollars than to make sure that that
8 commute goes from maybe an hour and a half to 15, 20
9 minutes.

10 So that's what my idea is of investing into
11 bookends, making sure that you bring the highest value as
12 quickly as it can to the most constituents, most taxpayers
13 that you can. And that is the philosophy that I will have
14 as I move into this position. And I want to thank our Pro
15 Tem, Mr. de León, for giving me the opportunity to serve on
16 this Board. But that's the kind of philosophy that's going
17 to drive me here, which is to make sure that we do right by
18 the taxpayers and the voters of the State of California.
19 And make sure that this project is brought on, on time,
20 cost effectively.

21 But again, I want to make sure that when my
22 children begin to travel and after work, Downtown Los
23 Angeles, they can get on a train and be there in 15 minutes
24 and not in an hour and a half like Daddy did for 10 years.
25 Thank you, very much.

1 CHAIRMAN RICHARD: Thank you so much, Senator,
2 and again welcome.

3 We will now move to the public comment period and
4 as is our practice, we will start with elected
5 representatives from the public and then move through the
6 speakers in the order in which their speaker requests were
7 given to us.

8 So first, from the City of Anaheim, in the heart
9 of Orange County, is Council Member and former Mayor Pro
10 Tem, Kris Murray. Council Member, a delight to see you.

11 COUNCIL MEMBER MURRAY: Well thank you, Mr.
12 Chairman and Members of the Board and staff. It's a
13 pleasure to join you this morning.

14 I'd like to begin with a couple of thank yous.
15 I'd like to thank you, Mr. Chairman, and your CEO Jeff
16 Morales, and Board Member Perez-Estolano for joining us at
17 the opening of our brand-new intermodal center, the ARTIC
18 Station, which opened in December and for taking the time,
19 you sir, for being a part of the program. I think we had
20 about 1,000 individuals from the community and from across
21 the county and the region who joined us for the opening.

22 But ARTIC is the center piece of the LOSSAN
23 Corridor, the second busiest commuter rail corridor in the
24 country today and growing, and the southern terminus of
25 this incredibly important project to the State of

1 California. So thank you for taking that time and for
2 joining us and being an important part of helping us get
3 ARTIC up and running, because its connectivity to high-
4 speed rail was an important part of its funding as well.

5 I also want to congratulate our Senator
6 Lou Correa, former senator, representing Anaheim and Orange
7 County. It's a pleasure to join you at your first Board
8 meeting. You've been a champion for this project for
9 Anaheim and for Orange County for such a long time, so many
10 years. And I won't date you by saying how many, but you
11 are a son of Anaheim, born in Anaheim, and have stayed as a
12 leader of our city for so very long and we're so thrilled
13 that you are representing the state and our city as a
14 member of this important and illustrious Board.

15 And then I just want to share, again, Anaheim's
16 commitment to this project. It is an essential part of our
17 long-term transportation planning for Orange County and
18 regionally and also for the State of California. We, as a
19 city, signed the MOU in support of this project.

20 We have enjoyed a very positive relationship
21 working with the Authority since its inception. And I
22 really appreciate how thoughtful and proactive your staff
23 has been. Recently, Mr. Morales joined us for a
24 presentation before the Anaheim/Orange County Convention
25 Visitor's Bureau and took a lot of candid and open

1 questions, nothing scripted, he was just very engaging and
2 really humanized the importance of this project and the
3 importance of regional economic growth and transportation
4 planning.

5 So just to conclude I just want to say thank you
6 again. This project is absolutely essential. I also serve
7 as a member of the Regional Council for the Southern
8 California Association of Governments and a member of that
9 transportation committee. We're gearing up for the next
10 round of regional transportation planning and this project
11 is an essential component of that long term for our region
12 and the entire state, so thank you.

13 CHAIRMAN RICHARD: Thank you very much Council
14 Member, thank you for --

15 BOARD MEMBER CORREA: Excuse me, Chair? If I may
16 just make a couple of comments to Ms. Murray?

17 CHAIRMAN RICHARD: Yes, that --

18 BOARD MEMBER CORREA: I just wanted to add that I
19 also want to thank the City of Anaheim for all your good
20 work on the ARTIC Center Train Station. If any of you have
21 a chance you ought to go out there when you go visit the
22 Angels of Anaheim and take a moment to take the train and
23 stop at the new center there that is designed for the high-
24 speed rail. It's a tremendous job and thank you for being
25 ahead of the curve on this one.

1 COUNCIL MEMBER MURRAY: Thank you.

2 BOARD MEMBER CORREA: Welcome, ma'am.

3 COUNCIL MEMBER MURRAY: Thank you.

4 CHAIRMAN RICHARD: Yeah, and I'd like to
5 associate myself with those remarks. It was an honor to be
6 there that day, and of course, our newest member was there
7 as well having been a long champion of ARTIC. It's a
8 beautiful architectural structure and you should be very
9 proud. I know you are.

10 COUNCIL MEMBER MURRAY: Thank you.

11 CHAIRMAN RICHARD: Thank you.

12 COUNCIL MEMBER MURRAY: Have a wonderful day.

13 CHAIRMAN RICHARD: All right, moving -- I don't
14 have any other elected officials that I see in the list, so
15 we'll move through the speakers in the order in which their
16 requests came in.

17 So we'll start with Paul Guerrero followed by
18 Diana LaCome and then Robert Allen.

19 MR. GUERRERO: Good morning.

20 CHAIRMAN RICHARD: Good morning.

21 MR. GUERRERO: At the last council meeting, Mrs.
22 Selby expressed concern on the small business
23 participation. And then last week, at a meeting of the
24 Small Business Advisory Council to the Department of
25 General Services I was shocked when they listed the High-

1 Speed Rail as being one of the poor achievers. And I stood
2 up and said, "Whoa, wait a minute, High Speed Rail is
3 hitting 30 percent, what are you talking about?" They
4 said, "Yes, they are hitting 30 percent, they're doing
5 great. But they're not meeting the small business goal,
6 which is 25 percent. They're at 22 percent."

7 And so I'm urging you to do something to get up
8 there, so I won't have to come and defend you all the time
9 at that council meeting, because I think you're doing great
10 personally. But let's get 2 more percent (sic) on the
11 small business and bring it up 25 percent.

12 And the second thing I wanted to talk about is
13 there's a federal small business program under 49 CFR Part
14 26.39 and it allows you to set aside \$4 or \$5 million for
15 only small businesses to bid. The catch is -- the kicker
16 is that it's a federal certification and so anybody that's
17 certified by Caltrans as a DBE falls under that federal
18 certification and qualifies as a small business.

19 And BART has taken the leadership and is now
20 certifying other businesses as a small business under that
21 federal certification. And the difference between that and
22 the state, there's two things. One is the size is larger,
23 and the other it requires a site visit, which it costs a
24 little bit of money, so nobody wants to put it in place.
25 But if you could piggyback on BART -- BART has taken the

1 leadership -- if you could piggyback on BART you could use
2 what they have certified right now. Maybe you could help
3 them certify, giving them a little bit of bucks to go out
4 and do that site visit, and let them take the lead. And
5 adopt the Caltrans certification, because all the DBEs that
6 are certified by Caltrans fall under that federal small
7 business certification. And you could do set-asides of \$4
8 and \$5 million for small businesses, which I think would be
9 great.

10 And so I'd really appreciate it if you'd look at
11 that or have staff look at that. And I'll be glad to work
12 with them on it, because I've got all the paperwork on it.
13 Thank you.

14 CHAIRMAN RICHARD: Thank you. Our staff is
15 always delighted to follow BART's lead on these matters.

16 MS. LACOME: Good morning.

17 CHAIRMAN RICHARD: Good morning.

18 MS. LACOME: Chairman Richard and Board Members,
19 I'm Diana LaCome representing APAC.

20 I have brought to this Board various issues of
21 concern, primarily barriers to small business. And at last
22 month's meeting I mentioned that I would be bringing you
23 copies of some of the information that I've been discussing
24 with you, so the first one is a copy of the California
25 Dispute Resolution Act. If you recall I mentioned that we

1 really do need a resolution, a Small Business Resolution
2 Board. There's one for the large contractors, but not for
3 small business.

4 The second one is a definition of "indemnity
5 insurance." Insurance is one of the biggest obstacles for
6 small businesses. The indemnity clause that you have there
7 is just the tip of the iceberg. I've given Jon Tapping,
8 your staff person, Risk Manager, the full volume of
9 paperwork that I have with that. So he's assured me that
10 he'll review the information and maybe come up with some
11 recommendations on the insurance aspect.

12 The third one is the 49 CFR Part 23.39 that Paul
13 Guerrero just mentioned, fostering small business, so I've
14 included that in there. And according to your staff you
15 have done set-asides for small business, they're just not
16 called that okay? A good example of that is the right-of-
17 ways. There are so many right-of-way contracts that were
18 actually awarded to small business, but it did not have the
19 overall, you know, fostering small business set-aside label
20 to it, if you will. So I would just like to encourage that
21 in the future just label them, that will make us all very
22 happy.

23 So and the last one is I've given you a copy of
24 the Caltrans letter to Senator DeSaulnier. And I've only
25 given you a copy of his letter -- of Malcolm Dougherty's

1 letter to DeSaulnier. But I mentioned to this Board before
2 that it would be very wise to review this "Lessons Learned
3 on the Bay Bridge." I didn't quite have time to make a
4 full copy of this "Lessons Learned" or of the final reports
5 on the Bay Bridge. But in the letter that you have it
6 states that this would be a very good idea to include -- to
7 actually discuss this with other state agencies that have
8 megaprojects. So I would encourage you to do that as well.
9 Thank you.

10 CHAIRMAN RICHARD: Thank you for all this
11 material, Ms. LaCome. We appreciate it and we will take
12 all of this under full consideration. Thank you.

13 Next is Robert Allen, he'll be followed by Ross
14 Browning and then Alan Scott.

15 Mr. Allen, I know you put in two speaker
16 requests, but --

17 MR. ALLEN: I'm sorry?

18 CHAIRMAN RICHARD: Go ahead.

19 MR. ALLEN: I would like to thank the Authority
20 and the staff for bringing the issue of grade separations
21 before to your attention as an agenda item. I think it's
22 great.

23 Grade separations and fencing are two things that
24 are so necessary for high-speed rail to be successful. And
25 I want to thank you for doing that.

1 CHAIRMAN RICHARD: Thank you, Mr. Allen.

2 Mr. Browning, good morning. Followed by
3 Alan Scott and then Ted Hart.

4 MR. BROWNING: A cheery good morning to you, Mr.
5 Chairman, and ladies and gentlemen of the Board.

6 A little background on this -- I had a beautiful
7 talk all prepared for you people and one of your staff came
8 up and took some wind out of my sails this morning. But so
9 I'm going to go ahead and give you the abbreviated version
10 and tell you that I want to thank Diane Gomez for getting a
11 hold of me.

12 The situation is this, there is a homeowner, a
13 farmer, down in Kings County that the rail is going -- and
14 they say between 150 and 200 feet from his house. Now,
15 they ought to be able to measure closer than that. I mean,
16 I could measure closer than that, but we'll say 150 to 200.
17 And they have decided that his home is considered to
18 uninhabitable due to vibration and noise.

19 And I got to thinking, well the person in the
20 house next to him, which is probably a little bit less than
21 300 feet away, how does it affect their house? What's
22 going on there? And that's what I asked Diane to find out
23 and she gave me a little briefing on that today. But also
24 Diane, it doesn't square with something else I've been
25 told. I'm not meaning to blindside you, but -- and then

1 there's another one that's a little over 400 feet, almost
2 500 feet.

3 Well, I was at a meeting with -- let's see, we
4 had Julie Wood who's on the right-of-way delivery team and
5 James Staudinger who's the right-of-way delivery team
6 talking about this very issue. And Jim Staudinger said,
7 "Interesting that that should come up, because we have just
8 hired -- the Authority has just hired a person who will be
9 in charge of items like that to develop a policy." I said,
10 "What do you mean? You don't have a policy already?" And
11 he says, "Evidently not, because this gentleman, Mark
12 Rowan, is going to be Deputy Director of Real Property and
13 will be developing a policy on how close or how far from
14 the rail does a person's residence have to be before
15 they're considered uninhabitable or what can we do about
16 it."

17 So that's what I wanted to mention to you. I'm
18 kind of surprised that there isn't a policy already. And I
19 guess there isn't one yet, because if there had been Diane
20 would've told me about it.

21 CHAIRMAN RICHARD: Well, thank you, Mr. Browning.
22 I appreciate you bringing that to our attention. We will
23 follow up with the staff on that, obviously.

24 MR. BROWNING: I've lost my visitor's (inaudible)

25 CHAIRMAN RICHARD: Yeah, thank you.

1 MR. BROWNING: Thank you.

2 CHAIRMAN RICHARD: Mr. Scott, good morning.

3 MR. SCOTT: Good morning, Mr. Chairman, morning
4 to the Board. Thank you very much for your time;
5 Alan Scott, Kings County.

6 I guess I shouldn't be reading. I saw a headline
7 a couple of weeks ago -- or less than a week -- a couple of
8 weeks ago, about the contractor is now considering filing a
9 claim for delay of services, which could be anywhere from
10 \$100 to \$150 to probably \$200 million, because the contract
11 was not started within the timeframe of one year. That's
12 kind of disturbing to me as a taxpayer, because that's
13 money that I don't think has been factored in, in the
14 budget of the 68 billion. So I'm concerned about that.

15 I'm also concerned about the cap and trade. I
16 believe it's somewhat questionable. It's in the Third
17 District Court right now for review.

18 But on another matter, February 10th was the
19 meeting of the High Speed Rail. As of this morning, since
20 my wife woke me up early this morning for something else, I
21 had time to go check the computer. The video from the
22 meeting on February 10th was not there. However, I decided
23 to email the Authority back on February 26th, "Could
24 someone show me where the links are?"

25 First off, I didn't realize the links of the

1 previous meetings are buried within the agenda of the
2 previous meetings. That's kind of difficult, because if
3 you say to go to archives then you have to go to the Board
4 meeting, which brings you right back to the Board meetings.
5 And then you have to go down and look in there and find it.
6 It's usually three or four down, I checked about four or
7 five months back, however as of this morning it's not
8 there.

9 So I was told in a follow-up email when I was
10 questioned -- I was told this. "The video for February's
11 Board meeting has not been posted. The video usually takes
12 between three and four weeks to be edited for sound and
13 visual clarity and then put into a format that we can
14 upload." I have a problem with the operative word called
15 "editing." I understand the audio and I understand the
16 video. I don't understand what editing means beyond that.
17 Does it mean that the tape is being changed or edited? I
18 don't know, I'm just saying this was very disconcerting.

19 However, someone else called up and they were
20 told a different story. They were told that you were
21 changing vendors. I have a lot more to go over, but I'm
22 sure I'm not going to be able to do it. The bottom line is
23 that it just seems this life support thing -- every time we
24 come into a meeting there's something going on. This is
25 public record. I want to know why a public record is not

1 available and why we're getting words like "editing." And
2 I'm concerned that something -- and I'm going to use it,
3 but perception means what? And is this nefarious? Is it
4 something underhanded or anything else like that?

5 So Mr. Chairman, I think you understand where our
6 concerns are, but not only I, but other people were looking
7 for that video to review some things that were said during
8 that video.

9 CHAIRMAN RICHARD: Okay, Mr. Scott. I understand
10 the issue. I'll work with the staff; we'll communicate
11 back with you. I am inclined not to believe that anything
12 nefarious is going on, but I --

13 MR. SCOTT: I am also saying that, but you
14 understand --

15 CHAIRMAN RICHARD: I understand your focusing on
16 that word. It's not inappropriate for you to raise that,
17 so thank you very much, sir.

18 MR. SCOTT: Okay.

19 CHAIRMAN RICHARD: Appreciate it.

20 Mr. Hart followed by Bob (sic) Descary from
21 Bakersfield and then Maureen Fukuda.

22 MR. HART: Good morning.

23 CHAIRMAN RICHARD: Good morning.

24 MR. HART: In the last five years I've addressed
25 the Board about a dozen times trying to get you to commit

1 to a cost for the entire high-speed rail system, 800 miles,
2 no luck. And that's gone on for that period of time.

3 In 2008, Prop 1A, the voter guide was very clear
4 in describing the connections and the pathway as far as the
5 rail was going: San Francisco, Sacramento, Central Valley,
6 Los Angeles, Orange County, San Bernardino, Riverside and
7 San Diego. I want to call particular attention to
8 Sacramento and San Diego and I'll return to that.

9 Within the Prop 1A, the voter guide, the
10 Authority estimated in 2006 to construct the entire high-
11 speed system would be about \$45 billion. Since that time,
12 the last time the Authority provided a cost estimate for
13 the entire 800-mile statewide system, that's the last time
14 we've ever seen a number.

15 Now, you continue to sit on this \$68 billion cost
16 for the statewide system and this makes me wonder. Your
17 2014 Business Plan in its appendix section that it is in
18 compliance of a statutory requirement, PUC Code Section
19 185033(b)(1)(A). That it include, "The proposed chronology
20 for construction of the statewide high-speed rail system,
21 and the estimated costs for each segment or combination of
22 segments." However, your plan omits a proposed chronology
23 for construction and estimated capital costs for the
24 segments connecting Sacramento and San Diego.

25 Therefore, if you're in compliance with the

1 statute then the segments connecting to Sacramento and San
2 Diego are no longer part of the statewide high-speed rail
3 system. I respectfully ask, is this the case or was your
4 plan not in compliance with the statute cited? Thank you
5 for your time, I've submitted this in writing.

6 CHAIRMAN RICHARD: Thank you, Mr. Hart. We'll
7 respond to that.

8 Bill Descary followed by Maureen Fukuda followed
9 by Millard Downing.

10 MR. DESCARY: I'm Bill Descary (pronounces it
11 Decary), Mr. Chairman and Board Members --

12 CHAIRMAN RICHARD: Excuse me, sir. I'm so sorry
13 that I mispronounced your name, I apologize for that. It
14 was just my poor eyes.

15 MR. DESCARY: No, it's common.

16 I'm here as a concerned Bakersfield resident. I
17 have no property in the alignment. It is shameful, yes
18 shameful, the way the High Speed Rail Authority is abusing
19 eminent domain law and steamrolling over Central Valley
20 landowners. People's lives and livelihoods are being
21 destroyed.

22 I want to follow up on two items from the last
23 Board meeting and conclude with a comment. First, a public
24 speaker spoke of a silent majority in Bakersfield
25 supporting the project, stating they just aren't vocal, but

1 they're really behind it. I talk with a lot of people in
2 Bakersfield who vehemently oppose the project and aren't
3 silent judging by letters to the editor. They ask when
4 this way underfunded, poorly planned project will finally
5 stop.

6 Second, the Authority commented it was pleased
7 with the cooperation of the City of Bakersfield. For
8 three-and-a-half years the Authority ignored the city by
9 being nonresponsive to a host of significant mitigation
10 questions. It took Bakersfield filing a lawsuit to get the
11 Authority's attention. The case was recently settled when
12 the Authority changed its Bakersfield alignment. This new
13 alignment avoids much of the destruction and hopefully
14 eliminates the unsightly 90-foot elevation through much of
15 the city.

16 On a financial note, without the required second
17 financing plan the Authority does not have access to state
18 bond money, which means it really only has about \$3
19 billion, not the \$6 billion it continually boasts. In this
20 year's budget the Authority did get 250 million cap and
21 trade funds and 25 percent of future cap and trade revenue,
22 but this is uncertain funding as it's being challenged in
23 court.

24 Concluding, in all of this I feel especially
25 sorry for Fresno residents. Their city will be torn up for

1 an estimated five years during construction and at the end
2 there'll be no high-speed rail rides. Fresno's mayor talks
3 about people in Fresno taking high-speed rail to work in
4 Silicon Valley. Someone needs to tell her construction is
5 going south from Fresno away from Silicon Valley. In fact,
6 after constructing Madera to north of Bakersfield the
7 Authority is looking at abandoning the Central Valley to
8 construct a Palmdale to Burbank section, which is item
9 three on today's agenda. The Central Valley will be left
10 with a burn known as Jerry Brown's folly. Thank you.

11 CHAIRMAN RICHARD: Thank you, sir. Maureen
12 Fukuda then Millard Downing and then Gloria Coelho.

13 Ms. Fukuda, nice to see you again.

14 MS. FUKUDA: Good morning. My name is Maureen
15 Fukuda and I live in Kings County. And I'm presenting a
16 few items on the non-agenda item.

17 Number one, I'd like to remind Mr. Richard, when
18 we first met you said that the Authority serves at the
19 public's will. You're a public service. And it was
20 reiterated earlier this morning. And if you are serving
21 the needs of the people at what expense? I think the
22 Authority is not aware of the expense being paid by the
23 people who have to be impacted or mitigated or moved by the
24 rail coming through. You know, that's number one public
25 concern.

1 Number two, all is not well in paradise. You
2 will hear people today from Kings County that have real
3 problems. It's not fabricated. They're real problems.
4 They live with this 24/7. I know these people. I feel for
5 these people and somehow it has to be resolved and it isn't
6 the dollar sign that solves the problem.

7 The other thing, Mr. Richard, between you and me,
8 Aaron got a house.

9 CHAIRMAN RICHARD: Good.

10 MS. FUKUDA: Thank you.

11 CHAIRMAN RICHARD: Now you can be a grandmother.

12 MS. FUKUDA: No, I --

13 CHAIRMAN RICHARD: No, no, no. Ms. Fukuda told
14 me that we needed to take care of her son, so that they
15 would start a family. So that's what I meant, I wasn't
16 trying to be --

17 MS. FUKUDA: He never listens to his mother
18 anyway. And Friday's my birthday, so my birthday wish is
19 that something can be resolved for my friends in Kings
20 County and everywhere, everywhere. Thank you, very much.

21 CHAIRMAN RICHARD: Thank you.

22 Miller Downing, followed by Gloria Coelho and
23 then Alisa Gomez.

24 MR. DOWNING: I'm Millard Downing from Hanford
25 and I live on the Ponderosa Street that's being taken. My

1 talk today, a little bit, is probably derogatory and in
2 part of it recommending to you.

3 The appraisal in the property acquisition phase
4 of it is the derogatory, I'd say. I don't know who chooses
5 the sources that you use, but it could have been better.

6 The appraisal team from my area is from Houston,
7 Texas and then property people that work with you are from
8 Tulsa, Oklahoma. The neighbor a couple of doors down from
9 me apparently asked, "How's the appraising going on your
10 street?" And he says, "Pretty good." And he says, "Well,
11 you appraised the two-story house," which is mine, "down
12 the street?" And he says, "No, I haven't. The gentleman
13 kicked me off the property." I never saw the person. I
14 never kicked anybody off the property. Nobody came and
15 rang my doorbell or anything, totally nobody.

16 And my wife has been ill and I've been attending
17 to her and taking her to Samsung Clinic and things like
18 that down in Santa Barbara, been gone a lot. So apparently
19 they came and made an appraisal when I was not there and
20 did it over the neighbor's fences on both sides of the
21 house for the photos and everything that's right on the
22 sheets.

23 So that's not very good in that aspect. The
24 property location individual indicated, in a letter, that
25 he found some property. One was at Ahwahnee, which is on

1 the way into Yosemite. That's 83 miles from my home. And
2 the other one is an Auberry address, which is at the top of
3 the four-lane going into Shaver Lake, which is 60-something
4 miles from my home. And another one in Sanger, which is
5 about 33 miles from my house.

6 And, you know, I'm a Hanford resident. I've been
7 there for close to 50 years and I don't intend to go
8 anywhere else, so this is not giving me anything to work
9 with at all. So something needs to be done to assist in
10 this process. It's not a helping you guys move on the
11 train. It's not putting itself any faster. And that's
12 pretty much what I've got to say.

13 CHAIRMAN RICHARD: Well, thank you sir, for
14 coming up here this morning. I'm going to ask Mr. Morales
15 and Ms. Gomez to pay particular attention the situation.
16 Thank you.

17 MS. Coelho, good morning.

18 MS. COELHO: Hi, my name is Gloria Coelho and I'm
19 from Kings County. And in early November I had an
20 appraiser out and we talked about what was going to be
21 affected. And he said that I would get an offer in the
22 spring.

23 I was gone for the holidays and came back after
24 New Year's to find two phone calls and a box that my
25 neighbor picked up at the door. And this was my offer.

1 Well I wasn't prepared for this, because I was told it
2 would be spring so I took -- on the second business day
3 after I returned I called the right-of-way agent and I told
4 him that I wasn't prepared. I was seeking a lawyer and I
5 would get back to him about when my appointment was. Well,
6 he wasn't happy when it took awhile to get my appointment,
7 but like I told him there's not that many lawyers in
8 Hanford. And there's a lot of people involved in this, it
9 would take awhile. So then I got back to him about what
10 time I was meeting with the lawyer.

11 And then my lawyer suggested we get it
12 reappraised. And that's where I'm at now, is getting it
13 reappraised.

14 This right-of-way agent told me he was going to
15 call me every week to see what my progress was. I've never
16 denied a phone call from him. I've told him exactly what's
17 going on and I told him, I said, "You know, it's at the
18 point now it's out of my hands. I'm waiting for my
19 appraisal. There's nothing else I can do. I don't know
20 why you keep calling me." So I just told him -- I
21 suggested to him to call my lawyer.

22 It's kind of hard to want to sell my property
23 when only 15 percent of the construction plan's done. I
24 haven't really got a full answer about how I can run my
25 pipeline through it or what's going to be done to salvage

1 what they want. If they want me to realign more than what
2 they already have to realign, it's going to be more costly.
3 I'm trying to get some prices on that, but I really don't
4 think that's my job. I think that's theirs. I really
5 wouldn't want to pay a house contractor when he only has 15
6 percent of the construction plan done.

7 So I think you can understand why I'm a little
8 hesitant too. Thank you.

9 CHAIRMAN RICHARD: Thank you.

10 Alisa Gomez followed by Ernestine Mattos.

11 MS. GOMEZ: Good morning, my name is Alisa Gomez.
12 I'm from Corcoran.

13 I just wanted to let you know a little bit about
14 how my appraisal process went down. We've heard that
15 you're hearing that things are going well and in my case,
16 and in a lot of other people's case, that's not what's
17 happening.

18 I received a letter dated October 14th, so it
19 came out a few days after that. And within a week I had
20 someone walking up and down our road. They stopped my
21 husband while he was on his lunch wanting to appraise the
22 property. And he said he had to get back to work. They
23 asked what time he got off work and when we came home from
24 work the two appraisers were there and did the appraisal
25 while our four kids were running around the house.

1 They were asking -- or I was told that it would
2 take at least six months to get the appraisal back. They
3 had asked me what I had spent on this and that, because
4 I've done a lot of improvements and I told him I would get
5 back to him. I am a high school ag teacher and I have four
6 kids, so the first time I had to get to that was winter
7 break. I went through some of the receipts and on February
8 2nd I emailed back the appraiser and gave him the
9 information as well as some questions that I had. To this
10 day I have not heard back from him.

11 And then I started getting some text messages
12 from my ex-husband who I've been divorced from, for ten
13 years. I bought my house five years ago. He has nothing
14 to do with this house, but the High Speed Rail was
15 contacting him telling him they are trying to get a hold of
16 me about my appraisal. I don't know why they contacted
17 him. I don't know how they got in contact with him, but
18 now he's sending me pictures of us together and he will not
19 let it go. So you can imagine how that is with my current
20 husband.

21 Then on February 20th two boxes from FedEx were
22 thrown over my fence. Not a signature, not anything, just
23 thrown over the fence. I opened it up to find an appraisal
24 that was a smack in the face. We hear the comment, "We
25 will make it whole," and it was absolutely not that at all.

1 I know that's time, but now I have to hire a
2 lawyer. I took a day off of work today. It's time and
3 money that is a huge inconvenience for me. So when you say
4 things are going great I think you need to take another
5 look, because I don't know one person in our area that has
6 had an appraisal that has not had a problem with it.

7 Please consider making us whole like you said you
8 will.

9 CHAIRMAN RICHARD: Thank you very much,
10 Ms. Gomez.

11 Ernestine Mattos?

12 MS. MATTOS: Hi, my name is Ernestine Mattos. Me
13 and my husband have a dairy farm out in Kings County.

14 I got a call from David at Bender Rosenthal
15 wanting to come out and he told me, "To see the damages
16 that were going to occur on our dairy farm." And I told
17 him I'd just got back from an unexpected family death and
18 funeral and could not, so give me a few days, call me back.
19 He did. On the 13th he called me and I told him, "Okay,
20 let's set up an appointment, but I have a situation going.
21 My son has dropped 20 pounds and we don't know why. And
22 right now I will set up the appointment, but more than
23 likely I may have to cancel." He said, "Okay."

24 So I called him on the 17th of November to inform
25 him that my son had to -- on the 18th of our appointment --

1 had to register at the hospital, because he had to do a
2 biopsy. David from Bender & Rosenthal, what he told me --
3 and I was short from telling him off, but I'm trying to
4 work with everybody -- he informed me he had a job to do.
5 If I was not going to work with him what he was going to do
6 -- what he wanted to do at that point was to do a roadside
7 assessment. I said, "Please do not do that. I'm not
8 saying I won't meet with you, but right now my son has
9 serious health issues."

10 So I waited a few days, because my husband said,
11 "You need to calm down, so that way you don't say anything
12 wrong or do anything." So I emailed him and Don Grebe and
13 informed them how I was disappointed in his attitude. I
14 told him -- he told me he had a job to do. And I said,
15 "Yes, you do. But me as a mother, I have a job to do for
16 my son." I said, "My son has dropped 30 pounds and nobody
17 can give me answers and I'm having to go through a
18 process."

19 Me and my husband have strived so hard to have
20 what we have and what you guys are going to do and how
21 you're going to make us whole, I don't understand. You are
22 going to rip us in half and we have animals, dairy cattle
23 out there, and if you've ever walked down dairy cattle --
24 if you've ever been on a dairy farm there is no way a train
25 can go flying by without those animals going crazy.

1 They're going to run. They end up killing themselves,
2 because they run sporadically without knowing where they're
3 going and they end up hitting fences and everything.

4 You are taking out -- you may not understand some
5 of this technology and you need to send people who are ag
6 appraised to understand what we're going through. You are
7 going to take a separator. You're going to take an
8 existing lagoon. You're taking out a corral. I mean, I
9 have no future at this point and this is so frustrating.
10 We have worked so hard.

11 And one thing my son says -- and what's bad for
12 him is stress and he sees how we stress to make him whole
13 again and try to keep our business going.

14 So please, be careful who you send out, because
15 right now I find people are heartless, they really are. I
16 mean, we know we have our personal life going on, but I
17 feel like you guys are just bulldozing through this without
18 consideration of anything. I don't know how you're going
19 to make us whole. I don't and this is something we've
20 worked for over 20 years, me and my husband. Thank you for
21 listening.

22 CHAIRMAN RICHARD: Thank you, Ms. Mattos.

23 Our next speaker -- I'm sorry, I'm having a
24 little trouble reading his last name. It may be
25 Michael Whitlock from Newark Avenue in Corcoran. And sir,

1 if I mispronounced your name I apologize.

2 MR. WHITLATCH: Good morning. I'm 5561 Newark,
3 Whitlatch.

4 CHAIRMAN RICHARD: Whitlatch?

5 MR. WHITLATCH: Whitlatch, yes.

6 CHAIRMAN RICHARD: Good morning.

7 MR. WHITLATCH: Everybody gets it messed up. My
8 experience with you folks, I had a good appraiser, but my
9 problem is when the appraiser -- all my people were getting
10 letters around us we never heard from the appraiser. So I
11 had to call the appraiser. The appraiser gave me a date
12 and unfortunately I had a friend pass away, went to the
13 funeral, never heard back from the appraiser again.
14 Finally, the appraiser said, "We'll set up a date."

15 Well, in the meantime Alyssa and a lot of other
16 people in our town had people come and they had four or
17 five people on a team coming. I had an appraiser come to
18 my house. I've had no one else ever come to my house.

19 And I'm thinking about everybody else here.
20 Excuse me for being nervous here, but everybody's unique in
21 our situation. I know high-speed rail, hopefully doesn't
22 come, but I know it will come. My house is unique like
23 everybody else's is. My house is unique, my wife is dying
24 of Parkinson's. Excuse me. Ten years in planning, it was
25 built around her, and now you guys are going to take it.

1 What's part of life, but in compensation our house is
2 unique and built to her.

3 And just I haven't had my appraisal sent back to
4 me yet. A lot of people are getting low-balled and
5 Corcoran, there's no more places for two-and-a-half acres
6 to live on a unique piece like Alyssa's. And we're going
7 to have to move to another town. We're going to move --
8 make a decision to move quite a ways away, because of my
9 wife's situation. And I just ask for you guys to re-
10 compensate us, make us whole.

11 This is my -- excuse me -- this is my wife's
12 dream house. We will not be able to rebuild it, so thank
13 you.

14 CHAIRMAN RICHARD: Thank you, sir.

15 Frank Oliveira followed by Keith Dunn.

16 MR. OLIVEIRA: Good morning.

17 CHAIRMAN RICHARD: Good morning.

18 MR. OLIVEIRA: I'm Frank Oliveira representing
19 Citizens for California High Speed Rail Accountability.

20 This whole thing that we're on is really a
21 journey, high-speed rail is a journey. That's what the
22 train is all about. We start somewhere and we end up
23 somewhere else and the train's about what happens in
24 between. At the end of the day people will move faster
25 through California if this train is ever constructed.

1 Today, I was pleased to hear in the Finance
2 Committee meeting today the importance of foundation and
3 good work to comply with -- to do things right and set up a
4 good foundation, because if you don't okay there's going to
5 be going organizational problems. That information today
6 was absolutely correct.

7 Numerous times I have come to this Board and said
8 there are problems in the foundation. This is what I'm
9 talking about, the journey. With problems in your
10 foundation you will have problems like what you're hearing
11 today. May 5th, 2011 which I keep bringing up, because it
12 was pivotal, information was presented to the Board and
13 accepted to the Board that was simply false. That started
14 the problem.

15 Over time it was denied. Then it was
16 investigated. Then it was acknowledged. Then there was a
17 promise of cooperation, which failed. Okay, we involved
18 ourselves in a 15 percent EIR. We expressed problems with
19 what we saw, we asked for mitigation. Our mitigation that
20 we requested was denied, but was told in most cases it'd be
21 handled -- in the other 85 percent -- by the design build
22 contractor to solve our problems.

23 We were promised we would be made whole. We were
24 promised by you, Mr. Richard, promised many times. What
25 we've received is disrespect, about a two-third value on

1 properties that are being appraised. That's not being made
2 whole and that's not being treated with respect. We were
3 promised last month that you would look at things, because
4 we brought problems forward. But nothing much has changed
5 as you can hear that today.

6 I was going through my appraisal package and I
7 thought it was interesting, there's an article about "You
8 and Your Property Rights," it's a pamphlet. And there's a
9 notice in there that says if you don't believe that your
10 property values are correct on what you're remaining with
11 -- which is the biggest case in our area, because you're
12 cutting farms in half, so there's remainders -- that we can
13 submit a Board of Control Claim Form from Victim Services.
14 We are your victims, all the way down to the brochure in
15 the group that we're supposed to contact if we disagree
16 with what you're doing to our remaining property values.

17 Not much has changed. We ask you to uphold your
18 promise, make us whole. Mitigate what needs to be done to
19 our community instead of tearing it up. Make us whole.

20 CHAIRMAN RICHARD: Thank you, Mr. Oliveira.

21 Keith Dunn?

22 MR. DUNN: Thank you, Mr. Chairman, Board
23 Members.

24 I first want to also extend a warm invitation to
25 your newest member, Senator Correa, who is a good friend of

1 mine and known for being able to do heavy lifting. I have
2 personal experience on that, we used to get to work out
3 together in the mornings when he was still serving here in
4 Sacramento. So welcome to the Board, he's a great addition
5 and a very thoughtful individual.

6 I wanted to just share I'm here on behalf of the
7 Association for California High Speed Trains. We get to
8 hear a lot about -- and I don't want to take away from the
9 stories that you've heard -- but I also want to share with
10 you some experiences that I've had in traveling up and down
11 the state, most recently in the Antelope Valley, about the
12 good work that your staff is doing. They're working with
13 that community, Mayor Ledford and his team there, and also
14 throughout the Central Valley.

15 There are numerous individuals, and I fully
16 understand and am sympathetic with the folks that have
17 spoken here today and hope that their concerns, which need
18 to be addressed will be addressed. I'm confident that they
19 will, but there are also the untold stories of the
20 individuals who've had positive experiences that show up to
21 our meetings and work with us. And I think it's important
22 for you to hear that.

23 I can't get them all here today, but we do go up
24 and down the Valley and Antelope Valley and L.A. and Bay
25 Area as well, and meet with people who've had positive

1 experience, who feel that the outreach has been what
2 they've expected and look forward to continue to work with
3 you to make sure that this project is built right. Because
4 it's true as Mr. Oliveira said, it needs to have a good
5 foundation. And that means that you're going to have folks
6 who need to have addressed their concerns and we need to do
7 that.

8 But I think you're doing a great job providing
9 them this forum and then your staff also following up with
10 them in the communities to make sure that they do get
11 addressed. So I want to thank you for that and welcome,
12 Senator Correa, to the Board. Thank you.

13 CHAIRMAN RICHARD: Thank you, Mr. Dunn.

14 That does complete the public comment session.
15 Before we turn to the regular agenda though, I think that
16 there are a number of issues that have been raised this
17 morning from individuals who've been impacted by the
18 appraisal process. And they've come a long way, taken time
19 off work and so forth, to bring this information to us. So
20 I think out of respect to those individuals and the issues
21 they raise, without trying to put the staff on the spot to
22 respond to every single specific situation. Because I'm
23 sure you don't have all the facts in front you, but I'd
24 just ask our CEO, Mr. Morale, if he could make some
25 comments on this at this point.

1 CHIEF EXECUTIVE OFFICER MORALES: Certainly, Mr.
2 Chairman. And I'll ask Diana to jump in and talk a little
3 bit about some of the things we're doing in the Valley on
4 these issues in a moment.

5 But let me just say I do want to assure you,
6 assure the public, assure those of you who came today, we
7 take these issues very seriously. We don't take lightly
8 the acquisition of anyone's property whether it's -- even
9 if the process goes well that's a big even in anyone's life
10 and we appreciate that. And certainly if things don't go
11 well that only complicates it and I will assure you, we
12 will look into each of the specific issues raised here. I
13 don't know that we can comment or frankly probably should
14 comment on individual circumstances in this setting, but we
15 will absolutely look into issues and if there have been
16 anything done wrong we will address it.

17 We have -- recently we pulled all of those
18 involved in the right-of-way process, all of the
19 consultants, all the staff together, for -- in a sense, a
20 stand-down to make sure to raise issues, let everyone know
21 about circumstances, some of the ones that we heard about
22 today, find out if in fact it happened why. And that we
23 won't tolerate those going forward and that things need to
24 be done differently if, in fact, those things were
25 happening. And we will continue to provide training in

1 that direction to our staff in doing that.

2 We've also put -- and the reason I wanted to have
3 Diana say something is we've put Diana really on the front
4 lines in dealing with the property owners to make sure that
5 we are looking at this from the community aspect. And so
6 again, I'll just say we will look into the particulars. We
7 will continue to do our best to make sure that we're
8 conducting this process as smoothly, as cooperatively as
9 possible.

10 CHAIRMAN RICHARD: Okay. Before I turn to Board
11 members should we hear from -- Senator, I think Ms. Schenk
12 was first of the Board members and then I'll turn to you.

13 BOARD MEMBER CORREA: Thank you.

14 BOARD MEMBER SCHENK: I'll wait until Diana goes.

15 CHAIRMAN RICHARD: Okay. And for
16 Senator Correa's benefit, Diana Gomez is our regional
17 manager. She leads the efforts for the high-speed rail
18 development in the Central Valley.

19 Ms. Gomez, good morning.

20 MS. GOMEZ: Good morning. I wanted to just
21 provide an update of what we've been doing since we started
22 hearing many of the concerns. So we've had two all hands-
23 on meetings since in the month of February to talk about
24 some of the issues, some of the concerns that we've been
25 hearing, talk about the right-of-way process, talk about

1 the customer service, talk about some of the group
2 meetings, talked about increased outreach, status meetings,
3 surveying. So we talked a lot about -- primarily about the
4 process and how we could start addressing some of the
5 concerns.

6 The other thing that's been happening is I've
7 been out there meeting with a lot of property owners who
8 have requested the meetings. And when we do meet with them
9 we take the entire team out there. In some cases we take
10 out the right-of-way consultant team with us. We take out
11 also some of the right-of-way staff that is up here in
12 Sacramento. And we talk about their issues and address
13 some of their concerns. And in some cases then we make
14 changes to the process whether it's waiting on proceeding
15 with the ROM (phonetic) process or redoing an appraisal or
16 making sure everything is addressed in the appraisal. So
17 we have been doing quite a bit of those, so I've been out
18 there.

19 We did send a letter to everybody in Construction
20 Package 2-3 asking them that if they did have concerns that
21 they could contact me directly. We gave them a phone
22 number where to call. And then if they did contact us then
23 we would go ahead and schedule a meeting with that property
24 owner and bring out the team and address the concerns right
25 there. And then come up with a process moving forward.

1 Some of the other things that we've streamlined
2 the process is staking, so that was a big issue is some of
3 the property owners wanted their property staked before
4 they talked to an appraiser. So we are doing that. We
5 made that a -- simplified that process, so they can have it
6 staked within several weeks, schedule the meeting with the
7 appraiser and then the process will start. So that --

8 CHAIRMAN RICHARD: I'm sorry, is that to make
9 sure that everybody is looking at the exact same property
10 alignments?

11 MS. GOMEZ: Well, in some cases farmers wanted to
12 know well how many rows of trees would it take?

13 CHAIRMAN RICHARD: Oh, I see. Okay.

14 MS. GOMEZ: So it just gives them a picture of
15 how much property they're going to be losing. And then
16 this also would determine, in a sense, where their turning
17 rows would be in terms of access. A lot of the issues have
18 been about access, some of those landlocked parcels, and so
19 we've been working with in some cases the county.

20 Some of the other things that we have been doing
21 is where property owners are asking us to eliminate
22 crossings or be able to have access to other certain parts
23 of county roads, we've been going back to the counties.
24 Specifically, Fresno County, Tulare County and determining
25 what are the potential changes we can make within our

1 design to minimize those damages. So those are some of the
2 things we have been doing.

3 We've also just recently added staff in the
4 Fresno office. We now have a supervising right-of-way
5 agent. On April 1st we will have another person start.
6 And it is our goal to make sure that there is an Authority
7 staff person that goes to the appraisal meeting or to the
8 first written offer. So that's the commitment that we're
9 going to be making, to at least have an Authority person
10 present to make sure that they're hearing the concerns and
11 that those are addressed.

12 The other thing I'm doing is I'm participating in
13 every status meeting with each right-of-way consultant
14 where we're going property by property, so I could hear the
15 concerns that they're hearing from the property owner. And
16 then be able to help facilitate some of those discussions
17 as well. So we started our first status meeting last week
18 and they're about four hours long, so we'll be doing this
19 every other week where I will be meeting with the right-of-
20 way consultants.

21 We are also shifting tasks between right-of-way
22 consultants to make sure that we have the right people
23 going to the right properties.

24 We continue to work with the Fresno EDC as part
25 of the contracts that we have with the city and the county,

1 so they can help facilitate some of those discussions. So
2 they've been participating in those meetings within Fresno
3 County to also again, help facilitate that discussion with
4 the property owners.

5 We have developed a survey that we are going to
6 be utilizing as well to be able to get feedback about the
7 consultants that work from us, so I'm trying to get
8 finalized.

9 One of the things that we have been talking about
10 was potentially setting up a pre-meeting with property
11 owners, so they can then, before the process starts -- so
12 they can meet the team and we can lay out the process as
13 this is what's going to happen in the next couple of
14 months. This is who your appraiser is. This is who your
15 acquisition agent is. This is who your relocation agent
16 is. So they get all of this information up front before we
17 start the process.

18 So those are some of the things that we are
19 doing, but I have been meeting with a lot of property
20 owners and helping with that process. And I'll continue to
21 meet with the property owners and I will reach out to the
22 individuals that were here and schedule a meeting, so we
23 can help resolve some of those issues.

24 CHAIRMAN RICHARD: Thank you very much, Ms.
25 Gomez.

1 Board Members, Ms. Schenk did you have questions?

2 BOARD MEMBER SCHENK: Thank you, not questions so
3 much as comments.

4 First of all, I'm pleased to hear that Diana has
5 been put in charge. It gives me some hope. It's no
6 surprise to my colleagues, except for the Senator who
7 hasn't been here before and the public, that this is an
8 issue of great concern to me. We're dealing with people's
9 lives. I'm a huge supporter of high-speed rail and I think
10 we all agree that it has to be built for the future, for
11 future generations. But along the way we have to think
12 about the people in this generation and how we are
13 impacting them.

14 And I have no doubt whatsoever that from Jeff
15 Morales to Diana to the staff wants to do this right. But
16 I've lived long enough and have been involved with enough
17 issues that when a person has "a job to do" in the field
18 that it can be done in a heartless way. It can be done in
19 a emotionally distressing way. We're talking about
20 people's homes, their lives, their livelihood. And well,
21 as a lawyer I know that there are two and sometimes three
22 and four sides to a story. When there is enough of this
23 coming about to us that there's something there.

24 And so Diana, I appreciate that on top of
25 everything else that you have to do, that you're taking

1 this on, because I know you have the right heart for this.
2 But I would like to -- and Mr. Chairman -- like to ask
3 Diana to provide us on a regular basis with a report of not
4 just the good, but the bad and the ugly. And there are
5 people out there who we know -- I mean, it's just who are
6 not doing it the right way. And we won't tolerate it.
7 None of us will tolerate that and action has to be taken.

8 And the only way we know is when members of the
9 public come, whether they're orchestrated or not, that they
10 come with their stories and they come and tell us. And you
11 investigate and then report back to us. That's the only
12 way we're going to know what is going on and what action to
13 take. So thank you, Mr. Chairman.

14 CHAIRMAN RICHARD: Thank you, Ms. Schenk.

15 Senator Correa, did you have comments or
16 questions?

17 BOARD MEMBER CORREA: Yes, I do Mr. Chairman,
18 thank you very much.

19 And Ms. Schenk, I can agree with the comments
20 that you've made.

21 And Ms. Gomez, I just want to say that I'm glad
22 that you're on board. I listened very carefully to your
23 comments, your efforts, and I'm glad to hear you've hired
24 another person on board to help you.

25 As Ms. Lynn Schenk, I'm also an attorney and I

1 know there's many stories on an issue. Yet I believe the
2 only story that counts here is that a person's home is
3 really their castle. And we have to focus on these folks.
4 We can't focus on 99 percent acceptance rates, but rather
5 100 percent.

6 Instead of spending your effort on surveys of
7 consultants let's go out and meet with these folks
8 individually, call them, be proactive and talk to them.
9 You've got consultants that have a job to do, but they're
10 not doing their job in my opinion, if they're running over
11 people, okay? You've got to give them the attention and
12 you've got to address them, because these folks -- again
13 this project is something that benefits all Californians.
14 It's going to benefit all Californians including these home
15 owners. So let's go back and redouble our efforts and make
16 sure that we address the concerns of these individuals.

17 And as Ms. Schenk says, I want to hear also not
18 only the positives, but the negative stories. I want to
19 hear what's going on with these folks. Thank you, very
20 much.

21 CHAIRMAN RICHARD: Thank you, Senator.

22 I didn't see who went first, but I'm just going
23 to come down the line. Mr. Rossi?

24 BOARD MEMBER ROSSI: Thank you. I clearly would
25 echo what's been said, but I have two specific questions

1 that I'd like to have answered. And you don't have to
2 answer them now, but I'm going to certainly want to have
3 them answered by the next Finance and Audit Committee.
4 Which is how do we decide on comps and in fact, do we have
5 a preponderance of appraisers whose experience is in some
6 other state. I'd like to know the answers to those two
7 questions.

8 And Diana, you don't have to answer it now,
9 because I know it's just out of the blue. But I would like
10 to know by the next Finance and Audit Committee.

11 MS. GOMEZ: Okay. We will come with a prepared
12 answer for that.

13 BOARD MEMBER ROSSI: Thank you, very much.

14 CHAIRMAN RICHARD: Ms. Perez-Estolano?

15 BOARD MEMBER PEREZ-ESTOLANO: Thank you. I echo
16 the comments from my colleagues and I just want to say
17 thank you to the folks who came out and shared your
18 stories. And they mean very much to me personally, and I
19 also echo what our newest member said, that we will not put
20 up with this. And this is very important to us and so for
21 me to have the information come to us, Diana. And it's
22 important to me, that as our chairman has said, that we do
23 this right and we get it right. So we're not doing it
24 right according to some folks and we need to get it right.

25 So you have the commitment from this Board to

1 make sure that you are treated fairly. And so just to me
2 it's important that we get, as Ms. Schenk said, updates on
3 a regular basis. And if possible, maybe when you're doing
4 some of these meetings with the community let us know, and
5 I maybe would like to attend one of these meetings just to
6 see for myself how these go.

7 MS. GOMEZ: Okay.

8 CHAIRMAN RICHARD: Just before I turn to
9 Tom Richards, I just want to thank Ms. Gomez. You always
10 seem to be prepared and on top of issues, which I very much
11 appreciate. I'm sure I speak for my colleagues when I say
12 that.

13 And I do think that in addition to all the other
14 things that are going on, I do like the idea of a survey of
15 the performance of the contractors, because that's yet
16 another metric that we can have for the Board to get that
17 sense of how the public is seeing us do our jobs. That in
18 no way contradicts what Senator Correa said, that the first
19 responsibility of people is to do their jobs. But then I
20 do think that feedback is good.

21 I would just like to turn finally to our Vice
22 Chairman, Tom Richards, who represents the Central Valley.
23 And I know from many hours of conversations with him that
24 this is a matter that he takes very much to heart, so Tom?

25 VICE CHAIR RICHARDS: Thank you, Mr. Chairman.

1 I think that going back to the very beginning
2 this was perceived as probably being one of, if not the
3 most, difficult tasks in this long process of bringing
4 high-speed rail to California. Early conversations clearly
5 weren't intended to be naïve, but if we could've painted
6 the best result to the process it would've been that
7 everybody came through the process and felt one, that they
8 were treated fairly and the results were fair and
9 equitable.

10 That's still the goal, and it needs to always be
11 the goal, recognizing that unfortunately we're dealing with
12 so many of you, and will across the state, in circumstances
13 that quite clearly are not what you opted for. And frankly
14 nobody would have. Our purposes don't need to be cross-
15 purposes and shouldn't be.

16 We also have an additional responsibility up here
17 that you as taxpayers recognize also. There are very
18 specific laws as to what we can and cannot do. The
19 challenge is how do we ensure that you are taking the
20 benefit of all of the legal rights that you have, while at
21 the same time ensuring that the taxpayers are paying a fair
22 and equitable price for your properties and associated
23 costs that you have.

24 One of the challenges I suspect in a time like
25 this for many of you who are very familiar with real estate

1 is having come through an economic period where there's
2 been both a downturn in valuation, but at the same time
3 less properties that are transferred. And so some of the
4 challenges and problems that I recognize one of the
5 gentlemen talking about is where do you find comparables?
6 And I know you're going to address that, Diana, and I think
7 that's important.

8 Fortunately or unfortunately, because of the
9 business that I'm in we often see in at least the areas
10 that I'm involved in, in real estate and development
11 appraisals with comparables that come far beyond market
12 areas quite simply because you can't find adequate ones
13 locally. I think that is from the perspective of where we
14 are in California and where California is going. That's
15 improving and improving dramatically in response to an
16 improved environment with regards to real property
17 transfers.

18 For the purposes of what you're doing, Diana, I
19 couldn't endorse and agree more with the procedures that
20 you're putting in place and have put in place. The
21 challenges are always when you're putting people in touch
22 with other people who are being so dramatically affected by
23 what we're doing. And there's nothing that could be more
24 important than providing the level of compassion for the
25 process and the people you're affecting to ensure that not

1 only are you doing your jobs, but your job is also to be
2 responsible to the people that you're talking to, ensuring
3 that they have the very best opportunity to have the best
4 result to what they're doing.

5 For you who are selling, please remember the one
6 thing that we've told you. The process is really driven a
7 lot by the appraisal process and it always has to be as it
8 is when you bought your homes. It's a very independent
9 process. It's required to be independent even at the
10 federal level with banking laws to ensure that the
11 appraisal process is fair and equitable to all sides.

12 It doesn't mean there's not a process as you're
13 well aware of trying to ensure that your best interest is
14 being taken care of through the offer of your having the
15 opportunity at our cost -- I think up to \$5,000 -- I'm not
16 sure exactly how that works, to have your own appraisal
17 done. But in the end the process is going to be driven by
18 the appraisal. And it really benefits each of you, no
19 matter how difficult it may be at the times that you're in.

20 And with our understanding and appropriately
21 responding to the things that the Chairman has already
22 directed today, but to cooperate fully with the process, to
23 not be shy about what you think your property's worth, to
24 be realistic about what it's worth. And then together let
25 us try to accomplish what this chairman, and those who have

1 been involved with talking with you, always to do
2 everything we can to ensure at the other end you come out
3 whole. And recognize that that is whole in a financial
4 sense. We can't think enough about what you're going
5 through personally, because it would be the same with
6 anybody who's being affected in this way.

7 The purpose of the project is no less valuable in
8 the longer term. You just happen to be the ones who are in
9 the end able to participate, even if it wasn't at your
10 choice at the outset, in ensuring a benefit and asset for
11 the community as years to come. Our obligation to you is
12 to ensure that it is done appropriately and responsively.

13 So with that Diana, I appreciate very much what
14 you're doing and the amount of time it takes. And I don't
15 think that we as an Authority can spend too little an
16 amount of money to ensure that we protect the interests of
17 the people sitting out here and those around the state
18 along our alignment. Thank you.

19 BOARD MEMBER CORREA: Mr. Chair?

20 CHAIRMAN RICHARD: Yes, Senator?

21 BOARD MEMBER CORREA: Another comment if I may?

22 CHAIRMAN RICHARD: Sure.

23 BOARD MEMBER CORREA: I just wanted to say I
24 agree with some of those comments that were just made. And
25 those comments, I guess the way I think about these folks

1 here and the process, is the more communication you have
2 with these folks the higher the probability is that you'll
3 come to an understanding that's agreeable to all.
4 Protecting the taxpayers and addressing their specific
5 concerns about their property and therefore, there's less
6 money spent on lawyers and more goes to their pocketbook.
7 Thank you.

8 CHAIRMAN RICHARD: Thank you, Senator.

9 Okay. Thank you again, for all the citizens who
10 took time to come here this morning. We take this issue
11 very seriously.

12 We'll move now to the regular agenda and what I'm
13 going to do is make a slight change in the order of the
14 agenda, so that we can deal with the action items first and
15 then deal with the presentations after that.

16 So item one, the consideration of approval of
17 Board minutes from --

18 BOARD MEMBER SCHENK: So moved.

19 VICE CHAIR HARTNETT: Second.

20 CHAIRMAN RICHARD: -- the last meeting. Okay, it
21 moved by Ms. Schenk, seconded by Vice Chair Hartnett.
22 Would the Secretary please call the roll?

23 MS. NEIBEL: Ms. Schenk?

24 BOARD MEMBER SCHENK: Yes.

25 MS. NEIBEL: Vice Chair Richards?

1 VICE CHAIR RICHARDS: Yes.

2 MS. NEIBEL: Vice Chair Hartnett?

3 VICE CHAIR HARTNETT: Yes.

4 MS. NEIBEL: Mr. Rossi?

5 BOARD MEMBER ROSSI: Yes.

6 MS. NEIBEL: Ms. Perez-Estolano?

7 BOARD MEMBER PEREZ-ESTOLANO: Yes.

8 MS. NEIBEL: Mr. Henning?

9 BOARD MEMBER HENNING: Yes.

10 MS. NEIBEL: Ms. Selby?

11 BOARD MEMBER SELBY: Yes.

12 MS. NEIBEL: Senator Correa?

13 BOARD MEMBER CORREA: Abstain.

14 MS. THOMMEN: Chairman Richard?

15 CHAIRMAN RICHARD: Yes.

16 Thank you. Next we'll jump to item three, which
17 is the consideration of awarding the regional consultant
18 contract for environmental and engineering services for the
19 Palmdale to Burbank Project Section.

20 Ms. Boehm, good morning.

21 Senator Correa, we have three regional leaders
22 for the project. Ms. Gomez leads in the Central Valley.
23 Michelle Boehm is our leader in the Southern California and
24 I know that you have dealt with her in your prior capacity.

25 BOARD MEMBER CORREA: Yes.

1 MS. BOEHM: Thank you very much. Item three is
2 an action item as you mentioned. It is the Board agenda
3 item to consider award of the regional consultant contract
4 for the Palmdale to Burbank Section to cover both
5 environmental and engineering services. The goal of this
6 contract is to complete the environmental clearance and
7 record of decision for the project as well as prepare the
8 construction bidding documents for future contracting.

9 We are recommending the award to a team led by
10 Sener Engineering and Systems. This is a Spanish firm,
11 which is known for planning and constructing high-speed
12 rail around the world. So they've planned it and they've
13 constructed it and it's operating. They are joined by 19
14 small disadvantaged and disabled veteran businesses on
15 their team as well as very strong engineering and
16 environmental support.

17 I want to draw your attention to a couple of key
18 activities that will be done on this contract in addition
19 to what I mentioned. Their activities will include support
20 and advancement of our regional Bookend projects, which are
21 so critical to us as we move the program forward, as new
22 Board Member Correa mentioned earlier today.

23 And in addition to all of this work they are also
24 on board to support our robust public outreach program and
25 grassroots community working group activities to make sure

1 that we are engaging and informing the public on the
2 project as we build momentum in Southern California. Thank
3 you.

4 CHAIRMAN RICHARD: Thank you.

5 Any questions for Ms. Boehm? Senator Correa?

6 BOARD MEMBER CORREA: Mr. Chair, I just wanted to
7 say that the contract sounds great. I just haven't had the
8 time to read it and look at it in detail, so I will again
9 be abstaining on this vote.

10 CHAIRMAN RICHARD: Okay, understood. Other
11 questions.

12 (No response.)

13 With that I'll entertain a motion.

14 BOARD MEMBER ROSSI: So moved.

15 BOARD MEMBER SELBY: Second.

16 CHAIRMAN RICHARD: It has been moved by Mr.
17 Rossi, seconded by Ms. Selby. Would the Secretary please
18 call the roll?

19 MS. NEIBEL: Ms. Schenk?

20 BOARD MEMBER SCHENK: Yes.

21 MS. NEIBEL: Vice Chair Richards?

22 VICE CHAIR RICHARDS: Yes.

23 MS. NEIBEL: Vice Chair Hartnett?

24 VICE CHAIR HARTNETT: Yes.

25 MS. NEIBEL: Mr. Rossi?

1 BOARD MEMBER ROSSI: Yes.

2 MS. NEIBEL: Ms. Perez-Estolano?

3 BOARD MEMBER PEREZ-ESTOLANO: Yes.

4 MS. NEIBEL: Mr. Henning?

5 BOARD MEMBER HENNING: Yes.

6 MS. NEIBEL: Ms. Selby?

7 BOARD MEMBER SELBY: Yes.

8 MS. NEIBEL: Senator Correa?

9 BOARD MEMBER CORREA: Abstain.

10 MS. THOMMEN: Chairman Richard?

11 CHAIRMAN RICHARD: Yes.

12 MS. BOEHM: You're killing me.

13 CHAIRMAN RICHARD: It's an inside joke.

14 Thank you, Ms. Boehm.

15 MS. BOEHM: Thank you.

16 CHAIRMAN RICHARD: Okay. We will turn now to
17 item two of the agenda. A very important presentation as
18 was noted by one of our citizen speakers this morning, on
19 the issue of grade separations and the high-speed rail
20 program. Mr. Vacca will make the presentation.

21 Mr. Morales, is there anything you'd like to
22 introduce?

23 Oh, I'm sorry, Ms. Schenk?

24 BOARD MEMBER SCHENK: Yeah, just a point of -- I
25 just wanted to thank Mr. Allen for consistently coming to

1 our Board meeting with this issue. And I really appreciate
2 it Mr. Allen, and hope you can hear me, that I am grateful
3 for the work that you have put into this. And I'll tell
4 you privately.

5 CHAIRMAN RICHARD: Bob, she was just thanking you
6 for bringing this issue to the Board's attention
7 consistently. Thank you.

8 Mr. Vacca, good morning.

9 MR. VACCA: Mr. Chairman, Members of the Board,
10 Frank Vacca, the Authority's Chief Program Manager.

11 And today we're going to talk about highway-rail
12 at-grade crossings. And we'll define that as any highway,
13 public or private roadway, that crosses the railroad
14 at-grade or level. Sometimes they're called level
15 crossings.

16 I think the presentation is appropriate in the
17 fact that recent national events with several accidents
18 occurring in February, both at Metro North in New York and
19 the Caltrain area and Metrolink. And just recently,
20 actually this weekend, Amtrak had a derailment caused by a
21 major truck collision in North Carolina. And therefore
22 it's appropriate that we discuss the Authority's program
23 and how we're going to address at-grade crossings along our
24 alignment.

25 Nationally, railroad grade crossings are a

1 significant issue for both the public and the rail
2 industry. Nationally, there are more than 38,000 crossings
3 across the country, California having almost 9,300 of those
4 crossings. And as you can see by the number of accidents
5 and certainly the fatalities it's a serious issue and a
6 serious thing that we need to address and ensure the safety
7 of both our riders and the public at large.

8 When we talk about grade separating or grade
9 separation we're looking at different alternatives, but
10 essentially we are changing the elevation between the
11 roadway and the railroad. In the lower left you see an
12 example of a depressed highway that separates the railroad
13 from the cars. On the upper right you see where the
14 railroad is depressed and the roadway is overhead.

15 By separating at-grade, you therefore eliminate
16 all the hazards associated with railroad-highway at-grade
17 crossings.

18 Another example in the upper right is a roadway
19 bridge over the railway. Now, grade separation increases
20 safety obviously when you no longer have the ability of
21 collision. But it also has a lot of other benefits. It
22 decreases traffic in terms of the fact that the traffic
23 flow is continuous and you will not have to stop at gates
24 or other areas. The idling, no longer idling at those
25 gates, reduces greenhouse gas emissions and of course

1 improves the operations for the trains also.

2 The grade crossings in California are regulated
3 by the California Public Utilities Commission Rail Safety
4 Branch. And they also set priorities for grade crossings
5 that have a high rate of incidents, accidents or
6 fatalities.

7 I'll show you an example here of what we are
8 generally used to seeing, cars waiting for the train to go
9 by, idling and emitting and losing time. Ultimately, our
10 vision is that there won't be any grade crossings along our
11 high-speed rail corridor. And this area will look like
12 this, totally separating and increasing safety and
13 performance for both the roadway, the towns and the
14 railroad.

15 Our long-term plan for grade crossings along our
16 alignment is that there will be no at-grade or level
17 crossings along our high-speed line in the long term. And
18 that is from Los Angeles to San Francisco. However --

19 CHIEF EXECUTIVE OFFICER MORALES: If I might, let
20 me just interrupt?

21 MR. VACCA: Yes?

22 CHIEF EXECUTIVE OFFICER MORALES: Because the
23 issue of fencing was raised earlier. We can include with
24 that also the system will be fully fenced --

25 MR. VACCA: Our system will be fully fenced.

1 CHIEF EXECUTIVE OFFICER MORALES: -- to avoid any
2 intrusion whether from cars, pedestrians, trucks.

3 MR. VACCA: Yes, absolutely. We will have a
4 fully enclosed system, grade separated and fully fenced.

5 However, there's a transitional period between
6 San Jose and Los Angeles, which is considered green field
7 construction, new construction where there is no operation.
8 That fully separated, fully grade separated, fully fenced
9 environment will be there from day one of any train
10 operating.

11 However, on the Bookends which are more urbanized
12 areas complicated designs and has significant
13 deconstruction of the grade separations, have significant
14 impacts to the community and the railroad operations, we
15 will have a longer term, phased approach to eliminate those
16 crossings between San Francisco and San Jose. And we'll
17 talk about the treatment or the enhancements, the safety
18 enhancement that we will implement during that phase and/or
19 transitional period. Yes?

20 UNIDENTIFIED MALE SPEAKER: Excuse me, any
21 discussion between Los Angeles and Orange County --

22 MR. VACCA: Yes, we will talk about the Bookend
23 between Los Angeles and Anaheim also. In fact, here's some
24 of it.

25 Northern California, the transitional period will

1 be between San Jose and 4th and King Street, currently 44
2 existing grade crossings, at-grade level crossings. We
3 will work with the environmental process and with our MOUs
4 to eliminate those crossings that have the most criticality
5 and are on the California Public Utility Commission
6 Critical List to eliminate prior to our service. But the
7 rest will be in a phased approach over a period of time,
8 enhanced however, and we'll talk about that.

9 Central California, as we talked about in terms
10 of green field constructions all the construction in the
11 Central Valley will eliminate existing crossings. This is
12 an example of 56 crossings just in CP 1 through 4, which
13 will be eliminated as part of those construction contracts.
14 And I will show you a vision of what we envision Downtown
15 Fresno to look like in the next slide.

16 Southern California, we have an MOU with the
17 Southern California eliminating those crossings on the CPCU
18 list that are MOU. And a couple of examples here are State
19 College, Dornan and Rosecrans, which will be eliminated
20 before our initial operation.

21 Here's an example of what will happen in the
22 Fresno area with grade crossings and our final product.
23 And I think there's supposed to be an audio part of this,
24 but well -- the audio?

25 (No audio present)

1 Essentially with overhead structures -- and
2 you'll see now a trench configuration, but overhead
3 structures completing portions of the Fresno area -- and
4 the trench going through some of the Downtown area, totally
5 grade separating and ensuring the safety of our passengers
6 and the local community.

7 Where we're in a transitional period or where
8 crossings will not be totally eliminated during our first
9 initial operations, we will be enhancing all of the
10 crossings with what the industry calls quad gates. And
11 what that means is that we will have gates across all lanes
12 of a highway or roadway, not just the entrance lanes, but
13 all lanes.

14 The exit gates will be delayed to ensure that the
15 public can exit the area prior to all four gates coming
16 down. Additionally, we will include intrusion detection
17 which is a magnetic system under the pavement, which will
18 detect any vehicles under the gates. That system is
19 connected to the signal system of the trains, positive
20 train control, where the engineer will get an indication in
21 his cab that there is a vehicle in the right-of-way and
22 therefore can assume emergency conditions to either apply
23 brakes, stop or slow down prior to the crossing.

24 This system is state-of-the-art internationally
25 and as you can see here, by studies done by UC Berkeley,

1 reduces accidents at-grade crossings by almost a 98
2 percent. And therefore dramatically increasing the safety
3 where grade crossings still exist upon our operation.

4 I do want to say that we will be operating at
5 speeds in conformance with full federal Railroad
6 Administration regulations in terms of where there are,
7 even quad gates we will be limited to the federal
8 regulations in terms of speed. And that'll be between 110
9 miles an hour on the peninsula and in other areas about 125
10 if the full gate system exists. Outside of that area where
11 we're fully separated we will be able to do our full 220
12 miles an hour.

13 We work cooperatively, obviously, with the
14 California Public Utility Commission and will take into
15 consideration their priority list and areas of concern. We
16 work closely with our partners, regional counties,
17 government.

18 We are a member of Operation Lifesaver. This is
19 a great effort done nationally by all the railroads: AAR,
20 Association of American Railroads, and all railroads across
21 the country to bring public awareness to the dangers of
22 railroad operations, to educate and to inform on trespasser
23 grade crossings. They go to schools, they go to
24 communities. And we will continue to work very closely
25 with Operation Lifesaver in order to minimize and improve

1 the safety of our operation.

2 And we thought it appropriate that this general
3 overview of what we are planning to do along our right-of-
4 way was appropriate at this time and certainly can take
5 questions.

6 CHAIRMAN RICHARD: Let me first thank you for
7 that. I'd like to ask a question that I think Senator
8 Correa is probably likely to ask, but I mentioned earlier
9 in the deliberations over the appropriations in 2012
10 Senator Correa was very focused on improvements in Orange
11 County. And those turned out to really be about grade
12 separations in Anaheim and so forth. So can you just take
13 a moment to review -- I think most of us are familiar with
14 the Caltrain electrification that would involve blended
15 operations on the peninsula. But perhaps we're not as
16 familiar with what will be occurring from Los Angeles down
17 to Anaheim or even north of Los Angeles if we do blended
18 service there. So can you just take a moment and walk us
19 through that?

20 MR. VACCA: Certainly, we'll talk between right
21 now north of Los Angeles, at least from our station at
22 Burbank to Los Angeles we do not anticipate any crossings
23 to be left behind. We will do all of the grade crossing
24 separations in that segment. Between Los Angeles and
25 Anaheim --

1 CHAIRMAN RICHARD: And I'm sorry, Frank, but as I
2 understand it between Burbank and Los Angeles isn't that
3 where the number one most dangerous identified at-grade
4 crossing is now or do I have my geography wrong?

5 CHIEF EXECUTIVE OFFICER MORALES: Where's
6 Michelle, she's here? Yes, there are several in Southern
7 California in between Burbank and Anaheim in the two
8 sections. There are three or four of the top ten --

9 CHAIRMAN RICHARD: Most dangerous.

10 CHIEF EXECUTIVE OFFICER MORALES: -- most
11 dangerous that will all be addressed through this process.

12 CHAIRMAN RICHARD: Addressed means eliminated?

13 CHIEF EXECUTIVE OFFICER MORALES: Addressed being
14 eliminated, yes right. And that's through the cooperative
15 efforts of us, through the Authority and with the local
16 agencies. And that came out of the MOU that we negotiated
17 with the Southern California entities and so we're working
18 through that process there.

19 Just to clarify again, so between Los Angeles and
20 Anaheim the current plan is to follow the existing LOSSAN
21 corridor where there is existing traffic there. That
22 decision was made back in 2012 as opposed to building new
23 infrastructure. But in that process then, we have worked
24 with Anaheim in particular, as well as other agencies to
25 identify the high-priority grade separation projects and

1 we're moving forward with those now.

2 And there are three in that section we know that
3 are at the top of the list, both for the PUC and for us,
4 that we are now moving forward to develop the funding
5 partnerships to actually get those grade separations done.
6 They can be done also independently of us advancing the
7 rest of the program. Those are internal improvements that
8 can be made.

9 One other thing I would point out, for those
10 grade crossings as well as the 55 that we're eliminating in
11 the Central Valley we're eliminating we're eliminating them
12 not just for high-speed rail, but the existing grade
13 crossing for freight and for Amtrak service. So where
14 those communities have all the issues of at-grade crossings
15 and waiting for freight trains and things like that those
16 will be eliminated as well. I just wanted to make sure
17 that was clear.

18 CHAIRMAN RICHARD: Yeah, and I interrupted you,
19 Mr. Vacca.

20 MR. VACCA: Well, along those lines the most
21 dangerous crossings are identified and part of the MOU will
22 be eliminated. We will set a criteria in terms of priority
23 for the others with the PUC and their listing. And
24 absolutely all crossings that will remain when we start
25 operation will be enhanced to the full quad gate intrusion

1 protection state-of-the-art protection, and with reduced
2 speeds at those locations.

3 CHAIRMAN RICHARD: Okay. Questions from my
4 colleagues starting with Ms. Selby?

5 BOARD MEMBER SELBY: Yes, thank you. That was
6 wonderful.

7 I've been, as I think probably many of us have
8 been, noticing lately in the news a lot of terrible stories
9 about grade crossings and not being grade separated. So I
10 really appreciate that we're working on this.

11 I did have a couple of questions. I noticed my
12 alma mater, UC Berkeley, you're using their studies and I
13 think that's great, but have you looked at Japan which has
14 a -- I believe is at zero accidents in all -- or zero
15 fatalities in all of its years of operation? Have we
16 looked there to make sure that whatever we're doing is
17 state-of-the-art and the absolute best that it can be?

18 MR. VACCA: Yeah, we utilize world first -- the
19 best high-speed rail systems around the world including
20 Europe and Asia and the U.S. And obviously, at the higher
21 speeds grade separation is an absolute including here in
22 the U.S. and that would be a part of our systems. But it
23 is consistent with what is done around the world when you
24 enter and operate in an urbanized environment where
25 sometimes the crossing eliminations are unfeasible,

1 disruption's too severe -- the quad gate system and what
2 we're suggesting is state-of-the-art.

3 BOARD MEMBER SELBY: Thank you. And then I'm
4 just curious for Northern California where we have a
5 slightly -- I think a longer time period where we will not
6 have grade separations.

7 I'd just like to see if there's anything that
8 we're thinking about doing in the meantime to make it a
9 little safer, because I do think that that is a great
10 concern for the people who are on the peninsula. And I've
11 been asked that myself, so I'm just wondering if you have
12 something to say about that?

13 MR. VACCA: Sure, no absolutely. Of the 44
14 crossings we will be eliminating some of them right from
15 the start before our operations. We'll be working with the
16 PUC list, we'll be looking at the environmental process,
17 which will take into consideration the traffic and the
18 impacts there and identify those that are most critical to
19 be eliminated.

20 And then we will have a program and it'll be a
21 very aggressive program to eliminate the others. However,
22 the reality is that the complexity, the disruptions through
23 the towns and the operation, will probably take one or two
24 decades to remove all of the crossings on the peninsula,
25 but the goal will be to eliminate them. It will be part of

1 our program.

2 BOARD MEMBER SELBY: So I guess my point -- just
3 I'm trying to be clearer there is that there are people who
4 go across deliberately. And is there anything we can do in
5 the meantime in the meantime --

6 MR. VACCA: Yes.

7 BOARD MEMBER SELBY: -- to reduce that means
8 of...

9 MR. VACCA: Our program will totally fence the
10 peninsula right away up to the gates, the gates or quad
11 gates. So when the gates are down it will be one
12 continuous barrier both from a pedestrian perspective and
13 from a road perspective. That you will have to
14 intentionally either cut a hole in that fence -- and even
15 that we will have intrusion protection, so our dispatchers
16 will know if someone cut the fence or violated the fence --
17 or you will have to physically crash through the barrier.
18 And if you do that the intrusion protection in the roadway
19 will signal to the train that someone is there.

20 So it truly and it's all failsafe, so that if
21 there's a mechanical failure of some kind it fail safes,
22 the gates drop automatically. So it's the state-of-the-art
23 in technology today.

24 CHIEF EXECUTIVE OFFICER MORALES: Just to again
25 clarify what the quad gates do. A traditional gate just

1 has just one on each side of the intersection to block the
2 incoming traffic, but what happens as you notice for
3 whatever reasons people sometimes either get trapped or
4 drive around the gates. With a quad gates, both lanes are
5 blocked in each direction or all lanes are blocked or all
6 lanes are blocked in each direction. So you cannot cross
7 it without literally driving through it, so at that point
8 it's a concerted effort to get in there.

9 And then it's coupled with the intrusion system
10 and I believe the statistic was that those gates have an
11 almost 100 percent reduction of fatalities, because it is
12 almost impossible to get a car in. The gates come down in
13 a way that they're timed, so that if a car is in the
14 intersection they have the ability to get out before the
15 second set of gates come down also. So it's state-of-the-
16 art and all of the grade crossings, where they continue to
17 exist, will be upgraded to that level. So we'll see a
18 significant enhancement in safety on the peninsula.

19 MR. VACCA: And where possible, and where the
20 roadway permits, we will actually put dividers approaching
21 the roadway, so people can't even try to go to the other
22 side.

23 BOARD MEMBER SELBY: Yeah, my last question I'm
24 at is that 98 percent, so do you have a sense of -- you
25 know, does that mean that there will be -- I don't

1 understand what the opposite would be? Like what would
2 that mean that the collisions or the fatalities or whatever
3 that number is related to, what would it end up being?

4 MR. VACCA: Well, what I would say (inaudible)
5 the statistics for accidents, both nationally and in
6 California, my interpretation is that 98 percent of those
7 would be eliminated.

8 You have to remember that across the country
9 there's a small percentage, I believe it's 15 to 25 percent
10 of all the crossings actually have gates of any kind or
11 warning devices of any other kind, other than static signs.
12 And so that number is very exaggerated in terms of the
13 risk, because the majority of those actions happen where
14 they don't have protection. They happen in all locations.
15 But besides the fact that we have protection, then we have
16 the best protection, and it virtually eliminates all of
17 that.

18 CHAIRMAN RICHARD: Other questions? I just had
19 two or three and then an observation.

20 On the peninsula again, I understand there are 44
21 crossings there now, and I understand you to say that
22 there's an environmental process. So but if you had to
23 guess right now in the near term as part of the
24 electrification process can you guess how many we'd be
25 looking at removing?

1 MR. VACCA: Without the environmental process
2 we're looking at three or four right now that would be
3 eliminated and then on top of that the environmental
4 process. So we will be, you know, maybe a half a dozen
5 right up front to eliminate.

6 CHAIRMAN RICHARD: And --

7 MR. VACCA: We also -- go ahead.

8 CHIEF EXECUTIVE OFFICER MORALES: Yeah, some of
9 the cities on the peninsula are also on their own
10 initiative looking to create grade separations and so we're
11 working with some of them as well. So there are a number
12 of -- there is funding provided through the PUC, there's
13 federal money that comes in. There are different sources
14 of funds that can help --

15 CHAIRMAN RICHARD: Yeah, that was my next
16 question, which is -- I mean, I remember looking at this
17 years ago in a prior capacity. And it was about \$40 or \$50
18 million average for removing a grade crossing. I imagine
19 with inflation that -- but I mean, what kind of numbers do
20 we look at?

21 MR. VACCA: Well, I mean in the peninsula you're
22 looking at 50 to 100 million. You know, if you're in
23 Fresno it's a little bit cheaper, because of the urbanized
24 environment.

25 CHAIRMAN RICHARD: Right.

1 MR. VACCA: And as such, I think it'd be
2 impractical to have a program where you're trying to do
3 more than through a year or so, because the disruption to
4 the traffic and the communities becomes enormous and to the
5 operation.

6 CHAIRMAN RICHARD: So it's a long-term process.

7 MR. VACCA: It's a long term, but one that we're
8 committed to.

9 CHAIRMAN RICHARD: Okay, just two more things.
10 One, I'm going to take advantage of the fact that you're up
11 here to ask you this question, because I think it can
12 clarify something -- somehow time gets confused in the
13 public's mind.

14 So for the first 520 miles of Phase I we're
15 looking at 420 miles of absolute dedicated track, and about
16 100 miles or about 20 percent of blended operations. You
17 said in your presentation that FRA limits us in areas, I
18 guess probably just in the region where the crossing is, to
19 110 miles an hour assuming quad gates and positive train
20 control. I just want to hear from you that those facts all
21 fit within the 2 hour and 40 minute design criteria of the
22 project, consistent with Prop 1A.

23 MR. VACCA: Yes, absolutely. We are simulating
24 the alignment, taking into consideration the blended
25 services on the Bookends and the federal requirements when

1 you have either a blended service -- even without crossings
2 -- is restricted and blended service with crossings. Based
3 on what you do with those crossings you're restricted to
4 either 110 or 125 miles an hour.

5 CHAIRMAN RICHARD: Right.

6 MR. VACCA: Those speeds are factored into our 2
7 hour 40 minutes trip time. And we are complying with Prop
8 1A based on the alignment, the actual alignments that we
9 have with the RODs, and our proposed 15 percent alignments.
10 Although they're not final until we have our RODs, so that
11 would be --

12 CHAIRMAN RICHARD: Right, yeah it's a common
13 misconception that when we embrace the blended approach at
14 the behest of some public officials, that somehow that was
15 going to doom the 2 hours and 40 minutes. That is not
16 correct.

17 MR. VACCA: That is not correct.

18 CHAIRMAN RICHARD: Okay, last two things. Just
19 for Senator Correa's benefit, I ran into as I was coming
20 out of the hotel this morning, Darrell Johnson, the head of
21 the Orange County Transportation Authority. I asked him,
22 "How are things going down there on the grade separations?"
23 And he said they're going very well, so it looks like that
24 work is proceeding.

25 And one final, final thing which is that when you

1 talked about the benefits of grade separations one that you
2 did not include is the reduction of noise in these
3 communities from the horns of the trains. And I'll just
4 say that I was in Fresno one time on the alignment tour and
5 was talking to a guy who owned a motel there. And he said,
6 "Yeah, your trains are coming right behind my motel."

7 And I was trying to be sympathetic and I said,
8 "Well, I'm really sorry about that."

9 He said, "Hey, I'm not. All my customers
10 complain right now, because at 4:00 in the morning the
11 trains are blasting their horns coming through there for
12 the grade separation -- or for the grade crossing you're
13 eliminating. That's going to be a lot quieter at night."
14 So --

15 MR. VACCA: Absolutely. Sometimes I'm too close
16 to it and I forget some things, but federal law requires
17 that the engineer blow four times: two long, a short, and a
18 long at every crossing. He or she has no choice, in order
19 to comply to it with the crossing requirements. So you're
20 absolutely correct and that's at almost 100 decibel level,
21 so I apologize for missing that.

22 VICE CHAIR HARTNETT: Well, Mr. Chair, I think
23 the hotel's going to have to change their name, because I
24 think they're called the Whistle Hotel.

25 CHAIRMAN RICHARD: All right, with that thank you

1 Mr. Vacca.

2 MR. VACCA: Thank you.

3 BOARD MEMBER SELBY: Thank you, Frank.

4 CHAIRMAN RICHARD: And that's it.

5 Okay. So at this point the Board will enter into
6 closed session to --

7 BOARD MEMBER CORREA: Mr. Chair, before you do
8 that --

9 CHAIRMAN RICHARD: I'm sorry, Senator -- oh,
10 whoa. Oh, I screwed up totally here.

11 BOARD MEMBER PEREZ-ESTOLANO: Yeah.

12 CHAIRMAN RICHARD: Okay, you agree right? Okay,
13 I'm sorry, first Senator Correa then Ms. Perez-Estolano.

14 BOARD MEMBER CORREA: I'll let Ms. Perez go
15 first, chivalry in Orange County.

16 BOARD MEMBER PEREZ-ESTOLANO: All right, I'll be
17 brief, thank you Senator.

18 I just wanted to report out from the Land Use and
19 Transit Subcommittee of this Board that the High Speed
20 Rail, in partnership actually through the City of Burbank
21 as the prime kind of sponsor with the High Speed Rail,
22 submitted an application to the EcoDistrict Incubator
23 Project which is out of Portland. And I just want to say
24 thank you to our team: Melissa DuMond who's our fantastic
25 Planning Director, Kate White out of the Transportation

1 Agency, Suzanne Hague Strategic Growth Council, Meg Sedera
2 (phonetic) from our Project Management team, Michelle Bane
3 (phonetic) from L.A. and to Jeff Morales, our CEO, for
4 supporting something that I think is going to be very
5 dynamic if we are selected as a candidate for this
6 incubator project.

7 Essentially, what we will essentially be able to
8 do is take the Burbank Station to Portland and have their
9 team of experts basically study the station as a prototype
10 for an ecodistrict framework. And what an ecodistrict
11 basically is, is a comprehensive planning process which
12 looks at all the component parts, so it's not just like the
13 land and the train. It is the storm water. It is the
14 systems. It is everything in terms of how that place
15 operates, how can we make it more sustainable, and how can
16 we make it more efficient?

17 If we get selected then we'll be able to use this
18 as a possible candidate to look at other stations
19 throughout the network in California. But it is what we're
20 trying to do is we're trying to bring some of the best
21 thinking that's happening around the country or actually
22 around the world. And bring that to the program, so that
23 we can bring I hope some really good opportunities for
24 cities throughout the corridor.

25 CHAIRMAN RICHARD: Thank you. Ms. Perez-Estolano

1 called me about this the other day and we talked about it
2 extensively. And it sounds like a very promising thing and
3 she wanted to report to the whole Board, so I apologize for
4 stubbing my toe there for a minute.

5 BOARD MEMBER PEREZ-ESTOLANO: Yeah, that's all
6 right.

7 CHAIRMAN RICHARD: But thank you for that.

8 BOARD MEMBER PEREZ-ESTOLANO: Thank you.

9 CHAIRMAN RICHARD: Senator Correa?

10 BOARD MEMBER CORREA: Thank you, Mr. Chairman.

11 First of all, I'm glad to hear you ran into Mr.
12 Darrell Johnson and he told you what's going on with grade
13 separations. I believe in trusting, but verifying as well.
14 But also given that I'm the new person here today I wanted
15 to see if I could ask your staff to give me a progress
16 report on what's going on, on the sections between Anaheim-
17 Los Angeles and Bakersfield and Los Angeles and also wanted
18 a report on compliance of all applicable laws.

19 And, of course, my legislative intent when I was
20 in the Legislature voting on this subject, I wanted to make
21 sure that we actually not only set aside, but we actually
22 awarded working contracts to small business and disabled
23 veteran-owned businesses. I want to make sure we're doing
24 that, so if I could have a report on that as well I'd
25 really appreciate it. Thank you, very much.

1 CHAIRMAN RICHARD: Very good, we'll follow up
2 with all of those.

3 Okay. At this point the Board will enter into
4 closed session to discuss the matters described in the
5 agenda. We'll report back after that time.

6 (The Board convened into Closed Session at 11:56 a.m.)

7 (Having no new items to report from Closed Session,
8 Chairperson Dan Richard adjourned the Public Meeting of

9 The High-Speed Rail Authority

10 at 1:45 p.m.)

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CERTIFICATE OF REPORTER

I, KENT ODELL, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California High-Speed Rail Authority Meeting; that it was thereafter transcribed.

I further certify that I am not of counsel or attorney for any of the parties to said conference, or in any way interested in the outcome of said conference.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of November, 2014.

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I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of March, 2015.



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